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WUHAN PUBLIC, PRIVATE INDUSTRIES MAKE ADJUSTMENTS;
SHANGHAI STEEL, ELECTRICAL INDUSTRIES REACH QUOTAS

WUHAN PRIVATE INDUSTRY REVIVES -- Canton Nan-fang Jih-pao, 19 Jun 50

Hankow, 18 June (Hsin-hua) -- Relationships between public and private industrial and commercial enterprises in Wuhan are coming into better adjustment. Private commercial enterprises which benefit national planning and the people's livelihood are daily growing more active.

On the basis of directives issued by the Central People's government and the Central and South China Military and Administrative Committee, the Wuhan Municipal government began in mid-April to take steps toward improving the relationships existing between the city's public and private enterprises of an industrial or commercial nature. The first move was to hold talks in the All-Circles Delegates Assembly and other such groups, where the former relationship between public and private interests was discussed and policies were explained that government cadres, workmen, and management in private enterprise could gain a clearer understanding of the relationship and establish a closer rapport among themselves.

At the same time, the various national monopoly corporations adjusted their wholesale and retail prices to establish a reasonable ratio between production costs and profit. Their business policy has been altered to emphasize the administration of the wholesale business and the broader coordination of private commerce. Rural markets have been opened, while the scope of business in the municipalities has been cut to proper proportions.

As of now, the majority of retail stores and agencies have been abolished, with the exception of those retail establishments retained to hold the retail price of grain, coal, salt, and other essential commodities at a stable level. Commercial activities of organizations, military units, and cooperatives have also been halted and their outlets have been abolished. Within market administration, the people's government has done away with the systems of purchase certification, as well as various restrictions on the Exchange. Policies on tax income, taxation processes, and price fixing have also been amended.

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These measures provide private capital a tremendous scope of activity; legitimate legal profit is guaranteed; and private capital receives a stimulus toward progressive action. Since the stabilization of commodity prices and of the money market in May, privately operated industry has seen a steady increase in activity. Examining the relative importance of public and private enterprise, in terms of the number of market transactions during April and May, respectively, one finds that, in grain, salt, and cotton cloth, transactions of the national monopoly corporations held at the April level, whereas these corporations which in April handled 41.75 percent of the raw cotton, handled only 10.30 percent in May. The ratio of their transactions in cotton yarn also fell from the April level of 88.30 percent to 78.91 percent in May, while edible oils fell from 40.78 percent to 5.24 percent during the same period.

By the same token, purchases by private firms in food, raw cotton, bolt cloth, salt, and oils rose to above 95 percent of the total by the first 10 days of June. In January, sales of these same items by national monopoly corporations had been 70 to 80 percent of the total; by the first 10 days of June, their average sales had fallen to around 50 percent.

During past months, the capital of private firms dealing in food, coal, salt, and oil did not move freely, so that the city depended upon national monopolies to maintain markets. At present, the national corporations have already withdrawn from this substitute marketing business and many private firms have disbursed capital funds for the purchase of goods in the rural areas. Conditions in the automotive and steamship industries have also taken a turn for the better, with this increased flow of goods.

Improvements in the relationship between public and private industry and the increased exchange of goods between rural and urban areas have also resulted in a new expansion of national monopolies. Although the relative percentage of national monopoly transactions has fallen, the actual amount involved in these transactions has increased, serving to maintain the stability of commodity prices at a reasonable level. The national corporations marketed less than 150,000 catties of food in April. In May, however, the emphasis was shifted from retail to wholesale business, along with the adoption of a system of term payments, and private enterprise was coordinated. As a result, the food marketed by the national monopolies exceeded 6 million catties.

In the first 10 days of June, sales of rice alone totaled more than 3,800,000 catties. Since the national corporations have opened rural markets, many firms in the farming villages are buying city goods and selling native products, or taking essential commodities of everyday use in return. For this reason, the exchange of commodities between rural and urban areas has become even more active.

MAY INDUSTRIAL PRODUCTION RISES -- New York Hua-ch'iao Jih-pao, 23 Jun 50

Shanghai, 15 June (Hsin-hua) -- The Shanghai steel and electrical equipment industries, under both public and private management, have completed their contract quotas for April and May. Plants of the Shanghai Steel Corporation, under joint public and private management, as well as the various privately operated plants, have all raised their May production beyond the April level. One private shop, the Mao-hsing Plant, increased its output to 77.5 percent above April production. The privately operated Yuan-shun Plant has improved its facilities so as to halve the time devoted to soaking steel and thus double the output.

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The East China Military and Administrative Committee of the Ministry of Industry has mobilized large-scale public and private steel plants to assist the smaller private shops in their efforts to secure contracts and maintain production. The ministry is also helping large and small electrical equipment factories to organize, advance cooperation in technical matters, and solve the difficulties of most privately operated factories, which are unable to manufacture large motors without assistance.

Public and private plants operate on the same basis with respect to purchase orders and prices. The principle of fixing prices avoids waste expenditure of national funds and assures a definite profit to those plants receiving purchase orders. Since purchase-order prices are fixed at the same level for both public and private plants, a state of beneficial competition exists among the various plants from a production standpoint. For example, the production cost of rolled steel at the Shanghai Steel Corporation dropped in April from 300 parity units to 215 parity units per ton; receiving orders at the fixed rate of 250 parity units per ton, Shanghai Steel can still count on a profit. This stimulates private manufacturing firms toward increased production and encourages faith in the system of fixing the same price on purchase orders for private and public industry.

NATIONAL TRADE CORPORATION BUYS SINKIANG PRODUCTS -- New York Hua-ch'iao Jih-pao, 23 Jun 50

Urumchi, 13 June (Hsin-hua) -- Subsidiaries of the National Trade Corporation are purchasing large lots of native products from the various tribes and peoples of Sinkiang. Trade corporations in Urumchi, Karashahr, I-li, and Chuguchak have already purchased wool, camel's hair, and other animal fur totaling 1,000 tons, 82,000 lambskins, 170,000 large hides, 23,500 small skins, 26,000 sheep, 120,000 sheep casings, and 8,500 head of cattle. These purchases have raised the income of the tribal farmers and the family economy of herdmen to more than 50 percent above its past level. This proper trade policy of the people's government was unanimously praised by the tribal farmers and herdmen.

Since the liberation of Sinkiang, subsidiary agencies have been established at K'o-shih, A-k'o-su, Khotan, Karashahr, I-li, Chuguchak, A-shan, Ho-erh-ko-ssu, and Ha-mi under the central leadership of the Provincial Trade Corporation. A number of retail outlets and native products stores have also been established in the various areas. Plans are being made to set up subsidiary corporations in the areas not yet served.

PEIPING TEXTILES INDUSTRIES HOLD CONFERENCE -- New York Hua-ch'iao Jih-pao, 23 Jun 50

Peiping, 10 June (Hsin-hua) -- On 1 June, the Ministry of Textile Industries of the Central People's government called a conference on wool and hemp textiles to direct and assist in administrative reforms within the two industries, and to rehabilitate and develop production according to plan. The conference was attended by 46 delegates, including factory chiefs, managers, and labor-union representatives from various areas. Delegates from concerned agencies, such as the Ministry of Agriculture, People's Bank, Ministry of Trade, and All-China Textile Workers' Union, participated in the meeting which adjourned on 9 June.

Delegates from various areas reported to the assembly on the state of factory equipment, production, and administration. The Minister of Agriculture offered a report on improving the quality of raw wool and hemp and increasing production. Wool and hemp delegates held detailed discussions on matters of raw material supply and markets for the finished product. Talks were also held

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on public-private and labor-management relations. Ch'en Shao-min (1) ^{/num-}bers refer to appended characters⁷, Chairman of the All-China Textile Workers' Union, spoke at length on problems of labor and management.

The assembly pointed out that the primary difficulty facing the wool spinning and weaving industry at present arises from its former dependence on foreign supplies of raw materials. The majority of mills are not even able to process raw wool directly but must first obtain wool thread from abroad to weave into cloth. More than any other textile industry, wool has provided especially good ground for semicolonialism. Further, consumers of woollen goods are primarily upper-class urbanites; the needs of the masses thus remain unattended and marketing routes become a problem. From now on, the wool industry must convert to serve the needs of the masses and the market must be developed. Under present conditions, the industry can only do its utmost to maintain plants where equipment is in good order, technical skills are at a relatively high level, and conditions are comparatively good.

Maintenance methods were also discussed at the conference. A decision was formulated to include the provisions that plants producing exportable finished goods be permitted to apply for imports of wool thread for processing, that domestic wool should go to supply domestic needs, and that only the excess should be shipped abroad.

With respect to hemp textiles, the conference acknowledged that since China has the raw materials and the vast markets, the expansion can be effected according to plan. Until new hemp comes on the market in 1950, production can be geared to existing supplies. After the new hemp is marketed, appropriate expansion can be made in line with the plans.

TIENTSIN INCREASES SULFIDE DYE PRODUCTION -- Hong Kong Wen-hui Pao, 17 Jun 50

Tientsin -- Tientsin's economy is advancing toward stability and general conditions in industry and commerce are stable. Marketing channels for sulfide dyes (liu-hua-ch'ing) are gradually becoming more active: Tientsin marketed a total of 3,143 drums (ta-t'ung) in May, which was an increase of 55 percent ^{/sic/} over the April figure of 1,395 drums. The bulk of the ^{/May/} sulfide dyes, some 1,200 drums, bore the Kung (2) label, and represented a little less than a two-thirds increase over their April sales, not counting the 700 drums purchased by the Department Stores Corporation.

The government is banning the import of foreign sulfide dyes. This fact, together with the rise in purchasing power in the agricultural villages, should facilitate recovery in the Tientsin sulfide-dye industry to the level of November 1949, when production reached a peak of 7,000 drums.

CHARACTERS

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2. 公

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